



0000165767

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

2015 AUG 14 P 3:52

COMMISSIONERS

SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

AUG 14 2015

DOCKETED BY

ORIGINAL

IN THE MATTER OF THE APPLICATION
OF ARIZONA WATER COMPANY, AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANT AND
PROPERTY AND FOR ADJUSTMENTS
TO ITS RATES AND CHARGES FOR
UTILITY SERVICE FURNISHED BY ITS
WESTERN GROUP AND FOR CERTAIN
RELATED APPROVALS.

Docket No. W-01445A-10-0517

**ARIZONA WATER COMPANY'S
APPLICATION FOR AUTHORITY TO
IMPLEMENT STEP-1 ARSENIC COST
RECOVERY MECHANISM SURCHARGE**

Arizona Water Company ("Company") hereby files this application with the
Arizona Corporation Commission ("Commission") to implement a Step-1 surcharge
under the Arsenic Cost Recovery Mechanism ("ACRM") in the Pinal Valley service area,
pursuant to the provisions of Decisions Nos. 73144 (May 1, 2012) and 66400 (October
14, 2003).

BACKGROUND

On May 1, 2012, the Commission issued Decision No. 73144 in a general rate
case proceeding for the Company's Western Group, which includes the Pinal Valley
service area. In Decision No. 73144, the Commission approved a settlement
agreement in which "[t]he parties agree that [the Company] should be permitted to
continue its ACRM as proposed and that [the Company's] General Service Tariff should
be amended to exclude from applicability of the ACRM surcharge any industrial class

1 customer that does not receive water from [the Company's] potable water distribution
2 system."¹

3 The purpose of the ACRM is to aid the Company in its efforts to comply with the
4 U.S. Environmental Protection Agency's ("EPA") arsenic maximum contaminant level
5 ("MCL") of 10 parts per billion ("ppb") which went into effect on January 23, 2006. The
6 ACRM permits the Company to properly recover the capital costs associated with
7 meeting the standards set forth under the Safe Drinking Water Act, but more
8 importantly; does so in a manner that diminishes rate shock for its customers.

9 10 DETAILS OF THIS FILING 11

12 The Company serves 28,907 customers in the Pinal Valley service area. The
13 arsenic concentration in the Company's Valley Farms Well No. 2 has exceeded the
14 MCL since 2011, when the well was shut down. Lab results currently show arsenic
15 concentrations as high as 16 ppb. As a result of these high arsenic levels, blending with
16 another source to comply with the arsenic MCL is not a viable option. Accordingly,
17 Company engineers determined that treatment using adsorptive media is the best
18 available technology. The EPA has designated the adsorptive process as one of
19 several best available technologies for arsenic removal. Construction of the Valley
20 Farms arsenic treatment facility commenced in September 2014, and the facility was
21 placed into service on July 8, 2015. A copy of the Arizona Department of Environmental
22 Quality Approval of Construction is included with this Application as Exhibit 1.

23 The Company's Application supports an ACRM fixed monthly surcharge of
24 \$0.15 and an ACRM quantity surcharge of \$0.0160 per 1,000 gallons. The Company
25 estimates the average monthly bill for customers in the Pinal Valley service area (based
26

27 ¹ Decision No. 73144 at 31, Finding of Fact 16.
28

1 on 7,781 gallons used and a 5/8-inch meter) will increase by \$0.28, or 0.95%, from
2 \$29.61 to \$29.89.

3 Pursuant to the guidelines in Decision No. 66400, the Step-1 ACRM surcharge
4 includes only capital-related costs associated with arsenic removal facilities. The
5 company is requesting authorization to implement Step-1 of the ACRM for its Pinal
6 Valley service area.

7 8 **SUPPORTING MATERIAL**

9
10 In support of this Step-1 ACRM application for the Pinal Valley service area, the
11 Company includes the schedules required by Decision No. 66400 as Exhibit 2, hereto.
12 The Company will also provide Staff with electronic copies of all work papers and
13 supporting documents, including contractors' invoices.

14 15 **COMPANY CONTACT INFORMATION**

16
17 The person responsible for overseeing all ACRM filings, including responding to
18 all formal data requests, is Joseph D. Harris, the Company's Vice President and
19 Treasurer. Mr. Harris' office and mailing address is 3805 North Black Canyon Highway,
20 Phoenix, AZ 85015. Mr. Harris' telephone number is (602) 240-6860, Ext. 107, and
21 his email address is jharris@azwater.com.

22 23 **CONCLUSION**

24
25 This Application for a Step-1 ACRM surcharge for the Company's Pinal Valley
26 service area complies with all of the requirements of Decision No. 66400. As the
27 Commission found, adopting the ACRM mechanism "...properly balances the need for
28

1 the Company to remain financially sound with the avoidance of significant rate shock to
2 customers who are affected by the arsenic requirements." (Decision No. 66400, page
3 20, lines 21-22). For these reasons, the Company requests that the Step-1 ACRM
4 surcharge for the Pinal Valley service area be approved by the Commission in a timely
5 manner.

6 RESPECTFULLY SUBMITTED this 14th day of August, 2015.

7 ARIZONA WATER COMPANY

8
9 By: 

10 Joseph D. Harris
11 Vice President and Treasurer
12 ARIZONA WATER COMPANY
13 Post Office Box 29006
14 Phoenix, Arizona 85038-9006

15 Steven A Hirsch
16 Coree E. Neumeyer
17 BRYAN CAVE LLP
18 Two North Central Avenue, Suite 2200
19 Phoenix, AZ 85004
20 *Attorneys for Applicant*
21 *Arizona Water Company*
22
23
24
25
26
27
28

1 Original and 15 copies of the foregoing were delivered this 14th day of August, 2015, to:

2 Docketing Supervisor
3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, AZ 85007

7 A copy of the foregoing was mailed this 14th day of August, 2015, to:

8 Dwight D. Nodes, Acting Chief Administrative Law Judge
9 Hearing Division
10 Arizona Corporation Commission
11 1200 West Washington Street
12 Phoenix, Arizona 85007

13 Thomas M. Broderick, Director
14 Utilities Division
15 Arizona Corporation Commission
16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 Janice Alward, Director
19 Legal Division
20 Arizona Corporation Commission
21 1200 West Washington Street
22 Phoenix, Arizona 85007

23 Michele Van Quathem
24 Riley Carlock & Applewhite
25 One North Central Avenue, Suite 1200
26 Phoenix, Arizona 85004-4417
27 Attorneys for Abbott Laboratories

28 Ray L. Jones
ARICOR Water Solutions
18835 North Thompson Peak Parkway, Suite 215
Scottsdale, Arizona 85255
Executive Director, Water Utilities Association of Arizona

29 By: 

EXHIBIT 1



Douglas A. Ducey
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY



Henry R. Darwin
Director

APPROVAL OF CONSTRUCTION

Project Description: Valley Farms Arsenic Removal Facility
Installation of ab Arsenic removal system (SORB 33
Engineered Arsenic System), blending plan, booster pumps,
and related appurtenances.

Location: Valley Farms, AZ

Project Owner: Arizona Water Company
Address: PO Box 29006, Phoenix, AZ 85038

The Arizona Department of Environmental Quality (ADEQ) hereby issues an Approval of Construction for the above-described facility based on the following provisions of Arizona Administrative Code (A.A.C.) R18-5-507 et seq.


On 6/24/15 William Roberts, P.E., certified that the project was built according to the as-built plans and specifications and ADEQ's Certificate of Approval to Construct.

On 1/12/15, ADEQ issued a Certificate of Approval to Construct for the referenced project.

This Approval of Construction authorizes the owner to begin operating the above-described facilities as represented in the approved plan on file with the ADEQ. Be advised that A.A.C. R18-4-203 requires the owner of a public water system to maintain and operate all water production, treatment and distribution facilities in accordance with ADEQ Safe Drinking Water Rules.

RDR

PWS No.: 141-099
LTF No.: 62636


David Burchard
Manager

7-7-15
Date Approved

C: ADEQ File No.: 20140293
Pinal County Health Department
AZ Corporation Commission
Engineer

RIGHT TO APPEAL INFORMATION

The Arizona Department of Environmental Quality's review of this application was subject to the requirements of the licensing time frames ("LTF") statute under Arizona Revised Statutes ("A.R.S.") § 41-1072 through § 41-1079 and the LTF rules under Arizona Administrative Code ("A.A.C.") R18-1-501 through R18-1-525. This Notice is being issued within the overall time frame for your application.

ADEQ hereby approves your application for Approval of Construction Drinking Water Facilities under A.R.S. § 49-351. Your copy of the Approval of Construction Permit is on the reverse side of this Right to Appeal Information sheet.

This decision is an appealable agency action under A.R.S. § 41-1092. You have a right to request a hearing and file an appeal under A.R.S. § 41-1092.03(B). You must file a written Request for Hearing or Notice of Appeal within **30 days** of your receipt of this Notice. A Request for Hearing or Notice of Appeal is filed when it is received by ADEQ's Hearing Administrator as follows:

Office of Administrative Counsel
Arizona Department of Environmental Quality
1110 W. Washington Street
Phoenix, AZ 85007

The Request for Hearing or Notice of Appeal shall identify the party, the party's address, the agency and the action being appealed and shall contain a concise statement of the reasons for the appeal. Upon proper filing of a Request for Hearing or Notice of Appeal, ADEQ will serve a Notice of Hearing on all parties to the appeal. If you file a timely Request for Hearing or Notice of Appeal you have a right to request an informal settlement conference with ADEQ under A.R.S. § 41-1092.06. This request must be made in writing no later than **20 days** before a scheduled hearing and must be filed with the Hearing Administrator at the above address.

Please contact Ali Baadiyan at (602) 771-4127 or asb@azdeq.gov if you have questions regarding this Notice or the Certificate of Approved of Construction.

EXHIBIT 2

ARIZONA WATER COMPANY
Docket No. W01445A-10-0517
Balance Sheet
As of 3/31/2015

Schedule 1

Line No.	[A]	[B]
1	Arizona Water Company	Pinal Valley ¹
2		
3	Assets	
4		
5	Utility Plant	
6	Gross Utility Plant	\$ 463,018,144
7	Accumulated Depreciation	(136,968,093)
8	Net Utility Plant	\$ 326,050,051
9		
10	Current Assets	
11	Cash	\$ 4,719,731
12	Accounts Receivable	3,890,773
13	Materials & Supplies	391,589
14	Other	5,747,264
15	Total Current Assets	\$ 14,749,357
16		
17	Deferred Debits	\$ 9,046,631
18		
19	Total Assets	\$ 349,846,039
20		
21	Liabilities	
22		
23	Capitalization	
24	Common Stock	\$ 2,700,000
25	Capital Surplus	19,309,347
26	Retained Earnings	64,341,355
27	Common Stock Equity	\$ 86,350,702 \$ 28,891,120
28		
29	Long-Term Debt	\$ 75,000,000 \$ 25,093,415
30		
31	Total Capitalization	\$ 161,350,702 \$ 53,984,535
32		
33	Current Liabilities	
34	Accounts Payable	\$ 3,941,673
35	Accrued Expenses	516,185
36	Other	1,095,175
37	Total Current Liabilities	\$ 5,553,033
38		
39	Deferred Credits	
40	Advances for Construction	\$ 71,731,161
41	Contributions in Aid of Construction	69,001,179
42	Deferred Income Tax	37,303,106
43	Other	4,906,858
44	Total Deferred Credits	\$ 182,942,304
45		
46	Total Liabilities	\$ 349,846,039
47		
48		
49		
50		
51		
52		
53		
54		
55		

¹Allocated based on three-factor methodology.

ARIZONA WATER COMPANY
Docket No. W01445A-10-0517
Income Statement
Twelve Months Ending 3/31/2015

Schedule 2

Line No.	[A] Arizona Water Company	[B] Pinal Valley
1		
2	Operating Revenue	\$ 63,875,456 \$ 21,235,129
3		
4	Operating Expenses	
5	Operations & Maintenance	\$ 27,727,922 \$ 9,572,920
6	Depreciation & Amortization	10,193,140 3,660,031
7	Taxes Other than Income	8,636,892 3,160,206
8	Income Taxes	4,813,728 1,353,031
9	Total Operating Expenses	\$ 51,371,682 \$ 17,746,189
10		
11	Operating Income	\$ 12,503,774 \$ 3,488,940
12		
13	Other (Income) & Deductions	\$ (468,188) \$ -
14		
15	Interest on Long-Term Debt	\$ 5,115,504 \$ 1,711,540
16	Other Interest & Amortization	(532,961) (178,317)
17	Total Interest	\$ 4,582,543 \$ 1,533,222
18		
19	Total Other (Income) & Deductions	\$ 4,114,355 \$ 1,533,222
20		
21	Net Income	\$ 8,389,419 \$ 1,955,718
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		
50		
51		
52		
53		
54		
55		

Supporting Schedules:

N:\RATES\ACC Non Rate Case Filings\ACRM\ACRM\Pinal Valley\2015 Valley Farms Step-1\FINAL\Sch2 IncomeStatement
Processing Date: 8/14/2015 8:46 AM

Recap Schedules:

ARIZONA WATER COMPANY
Docket No. W01445A-10-0517
Earnings Test
Twelve Months Ending 3/31/2015

Schedule 3

[A]

Line No.		Pinal Valley
1		
2	Operating Revenue	\$ 21,235,129
3		
4	Operating Expenses	
5	Operations & Maintenance	\$ 9,572,920
6	Depreciation & Amortization	3,660,031
7	Taxes Other than Income	3,160,206
8	Income Taxes	1,353,031
9	Total Operating Expenses	\$ 17,746,189
10		
11	Operating Income	\$ 3,488,940
12		
13	Other (Income) & Deductions	\$ -
14		
15	Interest on Long-Term Debt	\$ 1,711,540
16	Other Interest & Amortization	(178,317)
17	Total Interest	\$ 1,533,222
18		
19	Total Other (Income) & Deductions	\$ 1,533,222
20		
21	Net Income	\$ 1,955,718
22		
23		
24	Original Cost Rate Base	\$ 44,700,353
25	[Schedule 7, Col. F, Ln. 21]	
26		
27	Equity Ratio - Decision No. 73144	50.97%
28		
29	Portion of Rate Base Financed by Equity	\$ 22,783,770
30	[Ln. 24 x Ln. 27]	
31		
32	Authorized Return on Rate Base - Decision No. 73144	8.44%
33		
34	Authorized Return on Equity - Decision No. 73144	10.00%
35		
36	Actual Return on Original Cost Rate Base	7.81%
37	[Ln. 11 ÷ Ln. 24]	
38		
39	Actual Return on Equity	8.58%
40	[Ln. 21 ÷ Ln. 29]	
41		
42	Operating Margin	16.43%
43	[Ln. 11 ÷ Ln. 2]	
44		
45	Interest Coverage	3.2
46	[(Ln. 11 + Ln. 8) ÷ Ln. 17]	
47		
48		
49		
50		
51		
52		
53		
54		
55		

Supporting Schedules:

N:\RATES\ACC Non Rate Case Filings\ACRM\ACRM\Pin Valley\2015 Valley Farms Step-1\Valley Farms 2015 Step-1 FINAL\Sch3 EarningsTest
Processing Date: 8/14/2015 8:46 AM

Recap Schedules:

ARIZONA WATER COMPANY
Docket No. W01445A-10-0517
Rate Review
Twelve Months Ending 3/31/2015

Line No.	[A]	[B]	Pinal Valley		[D]
			Decision No. 73144	ACRM Increase	Pro Forma 3/31/2015 plus ACRM [B + C]
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					

ARIZONA WATER COMPANY
Docket No. W01445A-10-0517
Revenue Requirement
As of 3/31/2015

Schedule 5

Line No.	[A]	[B]	[C]	[D]
	Pinal Valley			
1				
2	\$ 955,411			
3				
4				
5	\$ (14,312)			
6				
7				
8	\$ 941,099			
9				
10				
11		5.10%		
12				
13		1.6585		
14				
15		8.45%		
16				
17				
18		3.34%		
19				
20		11.79%		
21				
22	\$ 79,403			
23				
24				
25	\$ 110,990			
26				
27				
28	\$ 28,624			
29				
30				
31				
32	\$ 139,614			
33				
34				
35	\$ -			
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
52				
53				
54				
55				

Current Rate Dec. No. 73144	ACRM Capital & Ongoing Surcharge	ACRM Deferred O&M (12 Month) Surcharge	Total [A + B + C]
\$ 16.00	\$ 0.15	\$ -	\$ 16.15
\$ 1.1879	\$ 0.0160	\$ -	\$ 1.2039
\$ 2.1026	\$ 0.0160	\$ -	\$ 2.1186
\$ 3.2590	\$ 0.0160	\$ -	\$ 3.2750

Residential 5/8" x 3/4" General Service Rates
Monthly Basic Service Charge
Commodity Charge (per M Gallon)
0 to 3,000 Gallons
3,001 to 10,000 Gallons
Gallons over 10,000

[A] [B] [C] [D] [E] [F] [G] [H]

Line No.	Pinal Valley					Incremental Fixed Costs to be Recovered Per Bill				
	No. of Customers	Growth M Gallons Sold ¹	M Gallons Sold Per Cust.							
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										
34										
35										
36										
37										
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										

¹Under the terms of the settlement agreement approved in Decision No. 73144, industrial customers who do not receive water from the potable distribution system are exempt from the ACRM surcharge. Accordingly, the number of 6-inch customers was reduced by one, and the number of thousand gallons sold during the 12 months ending 3/31/2014 was reduced by 364,566, and the number of thousand gallons sold during the 12 months ending 3/31/2015 was reduced by 371,659, when calculating the ACRM surcharge.

ARIZONA WATER COMPANY
Docket No. W01445A-10-0517
Rate Base
As of 3/31/2015

Schedule 7

Line No.	[A]	[B]	[C]	[D]	[E]	[F]
	Pinal Valley					
1			Dec. 73144			
2	Decision	Arsenic	Plus Arsenic	Actual Balance		Actual Balance
3	No. 73144	Plant	Increase	3/31/2015	Arsenic	Including
4		Increase	[A + B]		Plant	Arsenic Increase
5					Increase	[D + E]
6	\$ 145,484,169	\$ -	\$ 145,484,169	\$ 161,137,245	\$ -	\$ 161,137,245
7		955,411	955,411		955,411	955,411
8	\$ 145,484,169	\$ 955,411	\$ 146,439,580	\$ 161,137,245	\$ 955,411	\$ 162,092,656
9						
10	(29,747,008)	(14,312)	(29,761,320)	(44,141,943)	(14,312)	(44,156,255)
11	\$ 115,737,160	\$ 941,099	\$ 116,678,260	\$ 116,995,302	\$ 941,099	\$ 117,936,401
12						
13	\$ (45,465,736)	\$ -	\$ (45,465,736)	\$ (36,554,576)	\$ -	\$ (36,554,576)
14	(16,161,299)	-	(16,161,299)	(25,658,286)	-	(25,658,286)
15	(8,683,491)	-	(8,683,491)	(11,944,455)	-	(11,944,455)
16	(327,277)	-	(327,277)	(492,528)	-	(492,528)
17						
18	1,066,194	-	1,066,194	1,066,194	-	1,066,194
19	473,000	-	473,000	347,603	-	347,603
20						
21	\$ 46,638,551	\$ 941,099	\$ 47,579,651	\$ 43,759,254	\$ 941,099	\$ 44,700,353
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
50						
51						
52						
53						
54						
55						

Supporting Schedules:

N:\RATES\IACC Non Rate Case Filings\ACRM\ACRM\Pinal Valley\2015 Valley Farms Step-1\Valley Farms 2015 Step-1 FINAL\Sch 7 RateBase
Processing Date: 8/14/2015 8:46 AM

Recap Schedules:

ARIZONA WATER COMPANY
Docket No. W01445A-10-0517
Construction Work in Progress (CWIP) Ledger

Schedule 8

Line No.	Month/Year	Date	Description	Vendor Name	Invoice No. (Hyperlinked)	NARUC Acct. 33201	NARUC Acct. 39021	NARUC Acct. 32501	Total
1									
2	Apr-14	4/30/2014	JV-01 PAYROLL			\$ 429.32			\$ 429.32
3		4/30/2014	JV-02 PAYROLL TAXES			168.81			168.81
4		4/30/2014	JV-09 VEHICLE CLEARING			36.82			36.82
5		4/30/2014	JV-20 CWIP OH SPREAD			76.19			76.19
6									
7									
8	May-14	5/20/2014	Payables Trx Entry	CAROLLO ENGINEERS	0134537	\$ 711.14	\$ -	\$ -	\$ 711.14
9		5/31/2014	JV-01 PAYROLL						
10		5/31/2014	JV-02 PAYROLL TAXES			16,188.00			16,188.00
11		5/31/2014	JV-11 AFUDC CWIP			489.79			489.79
12		5/31/2014	JV-11 AFUDC CWIP			143.44			143.44
13		5/31/2014	JV-11 AFUDC CWIP			3.02			3.02
14		5/31/2014	JV-09 VEHICLE CLEARING			1.98			1.98
15		5/31/2014	JV-20 CWIP OH SPREAD			23.50			23.50
16						2,021.97			2,021.97
17	Jun-14	6/30/2014	JV-01 PAYROLL			\$ 18,871.70	\$ -	\$ -	\$ 18,871.70
18		6/30/2014	JV-02 PAYROLL TAXES			2,553.17			2,553.17
19		6/30/2014	JV-11 AFUDC CWIP			985.88			985.88
20		6/30/2014	JV-11 AFUDC CWIP			83.23			83.23
21		6/30/2014	JV-09 VEHICLE CLEARING			54.50			54.50
22		6/30/2014	JV-20 CWIP OH SPREAD			672.92			672.92
23						521.96			521.96
24						\$ 4,871.66	\$ -	\$ -	\$ 4,871.66
25	Jul-14	7/31/2014	JV-01 PAYROLL			\$ 2,510.57			\$ 2,510.57
26		7/31/2014	JV-02 PAYROLL TAXES			1,005.81			1,005.81
27		7/31/2014	Payables Trx Entry		0135122	5,396.00			5,396.00
28		7/31/2014	JV-11 AFUDC CWIP			103.93			103.93
29		7/31/2014	JV-11 AFUDC CWIP			68.06			68.06
30		7/31/2014	MA-01 CORRECT JUNE JV-09			(222.48)			(222.48)
31		7/31/2014	JV-09 VEHICLE CLEARING			506.63			506.63
32		7/31/2014	JV-05 PAYROLL			309.94			309.94
33		7/31/2014	JV-20 CWIP OH SPREAD			1,441.07			1,441.07
34						\$ 11,119.53	\$ -	\$ -	\$ 11,119.53
35	Aug-14	8/31/2014	JV-01 PAYROLL			\$ 3,855.82			\$ 3,855.82
36		8/31/2014	JV-02 PAYROLL TAXES			1,573.41			1,573.41
37		8/31/2014	JV-05 PAYROLL			209.50			209.50
38		8/31/2014	JV-11 AFUDC CWIP			151.19			151.19
39		8/31/2014	JV-11 AFUDC CWIP			99.00			99.00
40		8/31/2014	Payables Trx Entry		005896	9,775.00			9,775.00
41		8/31/2014	JV-09 VEHICLE CLEARING			608.35			608.35
42		8/31/2014	JV-20 CWIP OH SPREAD			1,952.67			1,952.67
43		8/31/2014	MA-13 Correct OH prior months			(279.65)			(279.65)
44						\$ 17,945.29	\$ -	\$ -	\$ 17,945.29
45	Sep-14	9/30/2014	JV-01 PAYROLL			\$ 2,075.97			\$ 2,075.97
46		9/30/2014	JV-02 PAYROLL TAXES			837.20			837.20
47		9/30/2014	JV-05 PAYROLL			193.86			193.86
48		9/30/2014	JV-09 VEHICLE CLEARING			359.83			359.83
49		9/30/2014	JV-11 AFUDC CWIP			227.46			227.46
50		9/30/2014	JV-20 CWIP OH SPREAD			148.94			148.94
51						461.19			461.19
52						\$ 4,304.45	\$ -	\$ -	\$ 4,304.45
53									
54									
55									

Supporting Schedules:

N:RATESIACC Non Rate Case FilingsACRM/ACRM/Pinal Valley/2015 Valley Farms Step-1Valley Farms 2015 Step-1 FINAL Sch8 CWIP Ledger
Processing Date: 8/14/2015 8:46 AM

Recap Schedules:

ARIZONA WATER COMPANY
Docket No. W01445A-10-0517
Construction Work in Progress (CWIP) Ledger

Line No.	Month/Year	Date	Description	Vendor Name	Invoice No. (Hyperlinked)	NARUC Acct. 33201	NARUC Acct. 39021	NARUC Acct. 32501	Total
1									
2	Oct-14	10/31/2014	JV-11 AFUDC CWIP			\$ 245.75			\$ 245.75
3		10/31/2014	JV-11 AFUDC CWIP			160.92			160.92
4		10/31/2014	Payables Trx Entry			31.56			31.56
5		10/31/2014	JV-01 PAYROLL			3,539.32			3,539.32
6		10/31/2014	JV-02 PAYROLL TAXES			1,066.47			1,066.47
7		10/31/2014	JV-05 PAYROLL			409.83			409.83
8		10/31/2014	JV-09 VEHICLE CLEARING			480.39			480.39
9		10/31/2014	JV-20 CWIP OH SPREAD			712.11			712.11
10						\$ 6,646.35	\$ -	\$ -	\$ 6,646.35
11									
12	Nov-14	11/18/2014	Payables Trx Entry	ARIZONA DEPT ENVIROMENTAL QUALITY	000620	\$ 10,600.00		\$ -	\$ 10,600.00
13		11/18/2014	Payables Trx Entry	MOBILE MINI INC	701155427	5,053.28			5,053.28
14		11/30/2014	JV-01 PAYROLL			1,740.29			1,740.29
15		11/30/2014	JV-02 PAYROLL TAXES			707.11			707.11
16		11/30/2014	JV-05 PAYROLL			301.47			301.47
17		11/30/2014	Payables Trx Entry			17.99			17.99
18		11/30/2014	JV-11 AFUDC CWIP			274.00			274.00
19		11/30/2014	JV-11 AFUDC CWIP			179.42			179.42
20		11/30/2014	JV-09 VEHICLE CLEARING			262.10			262.10
21		11/30/2014	Payables Trx Entry			2,524.00			2,524.00
22		11/30/2014	JV-20 CWIP OH SPREAD			1,992.77			1,992.77
23		11/30/2014	JV-20 CWIP OH SPREAD			606.39	5,659.67		6,266.06
24						\$ 18,599.15	\$ -	\$ -	\$ 18,599.15
25									
26	Dec-14	12/31/2014	JV-01 PAYROLL			\$ 2,201.77		\$ -	\$ 2,201.77
27		12/31/2014	JV-02 PAYROLL TAXES			\$887.78			\$887.78
28		12/31/2014	JV-05 PAYROLL			\$499.71			\$499.71
29		12/31/2014	JV-09 VEHICLE CLEARING			\$306.81			\$306.81
30		12/31/2014	JV-11 AFUDC CWIP			\$353.04			\$353.04
31		12/31/2014	JV-11 AFUDC CWIP			\$231.18			\$231.18
32		12/31/2014	JV-11 AFUDC CWIP						
33		12/31/2014	JV-11 AFUDC CWIP						
34		12/31/2014	JV-20 CWIP OH SPREAD						
35		12/31/2014	JV-20 CWIP OH SPREAD						
36		12/31/2014	JV-20 CWIP OH SPREAD						
37		12/31/2014	JV-25A MISC ACCRUED A/P						
38		12/31/2014	JV-25A MISC ACCRUED A/P						
39		12/31/2014	Payables Trx Entry						
40		12/31/2014	Payables Trx Entry						
41		12/31/2014	Payables Trx Entry						
42						\$12,887.96	\$3,442.09		\$16,330.05
43									
44									
45									
46									
47									
48									
49									
50									
51									
52									
53									
54									
55									

ARIZONA WATER COMPANY
Docket No. W01445A-10-0517
Construction Work in Progress (CWIP) Ledger

Line No.	Month/Year	Date	Description	Vendor Name	Invoice No. (Hyperlinked)	NARUC Acct. 33201	NARUC Acct. 39021	NARUC Acct. 32501	Total
1									
2	Jan-15	1/31/2015	JV-11 AFUDC CWIP					\$ 164.78	\$ 164.78
3		1/31/2015	JV-11 AFUDC CWIP					107.90	107.90
4		1/31/2015	JV-20 CWIP OH SPREAD					32.72	32.72
5		1/31/2015	JV-01 PAYROLL			2,583.88			2,583.88
6		1/31/2015	JV-02 PAYROLL TAXES			1,071.54			1,071.54
7		1/31/2015	JV-05 PAYROLL			877.57			877.57
8		1/31/2015	JV-09 VEHICLE CLEARING			306.67			306.67
9		1/31/2015	JV-11 AFUDC CWIP			970.03			970.03
10		1/31/2015	JV-11 AFUDC CWIP			635.20			635.20
11		1/31/2015	JV-20 CWIP OH SPREAD			773.39			773.39
12		1/31/2015	JV-11 AFUDC CWIP				24.24		24.24
13		1/31/2015	JV-11 AFUDC CWIP				15.87		15.87
14		1/31/2015	JV-20 CWIP OH SPREAD				4.81		4.81
15						\$ 7,218.28	\$ 44.92	\$ 305.40	\$ 7,568.60
16									
17	Feb-15	2/25/2015	Payables Trx Entry	SENSUS METERING SYSTEMS	SS15001594			\$ 1,217.71	\$ 1,217.71
18		2/28/2015	JV-01 PAYROLL					152.94	152.94
19		2/28/2015	JV-02 PAYROLL TAXES					62.61	62.61
20		2/28/2015	JV-05 PAYROLL					25.50	25.50
21		2/28/2015	JV-11 AFUDC CWIP					166.08	166.08
22		2/28/2015	JV-11 AFUDC CWIP					108.75	108.75
23		2/28/2015	JV-20 CWIP OH SPREAD					208.03	208.03
24		2/28/2015	JV-01 PAYROLL			2,990.75			2,990.75
25		2/28/2015	JV-02 PAYROLL TAXES			1,224.35			1,224.35
26		2/28/2015	JV-05 PAYROLL			359.40			359.40
27		2/28/2015	JV-09 VEHICLE CLEARING			649.01			649.01
28		2/28/2015	JV-11 AFUDC CWIP			1,000.71			1,000.71
29		2/28/2015	JV-11 AFUDC CWIP			655.29			655.29
30		2/28/2015	JV-20 CWIP OH SPREAD			825.54			825.54
31		2/28/2015	JV-11 AFUDC CWIP				24.42		24.42
32		2/28/2015	JV-11 AFUDC CWIP				16.00		16.00
33		2/28/2015	JV-20 CWIP OH SPREAD				4.85		4.85
34						\$ 7,705.05	\$ 45.27	\$ 1,941.62	\$ 9,691.94
35									
36	Mar-15	3/31/2015	JV-01 PAYROLL					\$ 509.80	\$ 509.80
37		3/31/2015	JV-02 PAYROLL TAXES					208.37	208.37
38		3/31/2015	JV-05 PAYROLL					108.99	108.99
39		3/31/2015	JV-11 AFUDC CWIP					174.33	174.33
40		3/31/2015	JV-11 AFUDC CWIP					114.16	114.16
41		3/31/2015	JV-20 CWIP OH SPREAD					133.88	133.88
42		3/31/2015	JV-01 PAYROLL			2,852.35			2,852.35
43		3/31/2015	JV-02 PAYROLL TAXES			1,165.81			1,165.81
44		3/31/2015	JV-05 PAYROLL			414.66			414.66
45		3/31/2015	JV-11 AFUDC CWIP			1,033.46			1,033.46
46		3/31/2015	JV-11 AFUDC CWIP			676.73			676.73
47		3/31/2015	Payables Trx Entry	FELIX CONSTRUCTION CO	001306	185,680.90			185,680.90
48		3/31/2015	Payables Trx Entry	WATER WORKS ENGINEERS, LLC	4422	9,462.00			9,462.00
49		3/31/2015	JV-09 VEHICLE CLEARING			663.04			663.04
50		3/31/2015	JV-20 CWIP OH SPREAD			24,233.87			24,233.87
51		3/31/2015	JV-11 AFUDC CWIP				24.62		24.62
52		3/31/2015	JV-11 AFUDC CWIP				16.12		16.12
53		3/31/2015	JV-20 CWIP OH SPREAD				4.89		4.89
54						\$ 226,182.82	\$ 45.63	\$ 1,249.53	\$ 227,477.98
55									

ARIZONA WATER COMPANY
Docket No. W01445A-10-0517
Construction Work in Progress (CWIP) Ledger

Line No.	Month/Year	Date	Description	Vendor Name	Invoice No. (Hyperlinked)	NARUC Acct. 33201	NARUC Acct. 39021	NARUC Acct. 32501	Total
1									
2	Apr-15	4/29/2015	Payables Trx Entry	WATER WORKS ENGINEERS, LLC	4503	\$ 2,973.00		\$ 158.94	2,973.00
3		4/30/2015	JV-01 PAYROLL					158.94	158.94
4		4/30/2015	JV-02 PAYROLL TAXES					64.74	64.74
5		4/30/2015	JV-05 PAID TIME OFF CLEARING					35.72	35.72
6		4/30/2015	JV-11 AFUDC CWIP					179.64	179.64
7		4/30/2015	JV-11 AFUDC CWIP					117.64	117.64
8		4/30/2015	JV-20 CWIP OH SPREAD					66.80	66.80
9		4/30/2015	JV-01 PAYROLL			599.90			599.90
10		4/30/2015	JV-02 PAYROLL TAXES			244.37			244.37
11		4/30/2015	JV-05 PAYROLL			82.14			82.14
12		4/30/2015	JV-11 AFUDC CWIP			1,994.73			1,994.73
13		4/30/2015	JV-11 AFUDC CWIP			1,306.20			1,306.20
14		4/30/2015	JV-09 VEHICLE CLEARING			87.93			87.93
15		4/30/2015	JV-20 CWIP OH SPREAD			874.59			874.59
16		4/30/2015	JV-11 AFUDC CWIP				24.82		24.82
17		4/30/2015	JV-11 AFUDC CWIP				16.25		16.25
18		4/30/2015	JV-20 CWIP OH SPREAD				4.93		4.93
19						\$ 8,162.86	\$ 46.00	\$ 623.48	\$ 8,832.34
20									
21	May-15	5/19/2015	Payables Trx Entry	PETTY CASH REIMBURSEMENT - CG	407224	\$ 20.18		\$ 39.74	20.18
22		5/31/2015	JV-01 PAYROLL						39.74
23		5/31/2015	JV-01 PAYROLL			1,859.80			1,859.80
24		5/31/2015	JV-02 PAYROLL TAXES					12.22	12.22
25		5/31/2015	JV-02 PAYROLL TAXES			571.70			571.70
26		5/31/2015	JV-05 PAYROLL					5.88	5.88
27		5/31/2015	JV-05 PAYROLL			142.48			142.48
28		5/31/2015	JV-09 VEHICLE CLEARING			144.25			144.25
29		5/31/2015	JV-11 AFUDC CWIP					1,078.59	1,078.59
30		5/31/2015	JV-11 AFUDC CWIP					1,647.14	1,647.14
31		5/31/2015	JV-11 AFUDC CWIP			18.69			18.69
32		5/31/2015	JV-11 AFUDC CWIP			12.24			12.24
33		5/31/2015	JV-11 AFUDC CWIP				70.93		70.93
34		5/31/2015	JV-11 AFUDC CWIP				108.31		108.31
35		5/31/2015	JV-11A AFUDC CWIP REVERSAL					(1,647.14)	(1,647.14)
36		5/31/2015	JV-11A AFUDC CWIP REVERSAL					(1,078.59)	(1,078.59)
37		5/31/2015	JV-11A AFUDC CWIP REVERSAL						
38		5/31/2015	JV-11A AFUDC CWIP REVERSAL			(12.24)			(12.24)
39		5/31/2015	JV-11A AFUDC CWIP REVERSAL			(18.69)			(18.69)
40		5/31/2015	JV-11A AFUDC CWIP REVERSAL				(108.31)		(108.31)
41		5/31/2015	JV-11B AFUDC CWIP CORRECTED				(70.93)		(70.93)
42		5/31/2015	JV-11B AFUDC CWIP CORRECTED					182.29	182.29
43		5/31/2015	JV-11B AFUDC CWIP CORRECTED					119.37	119.37
44		5/31/2015	JV-11B AFUDC CWIP CORRECTED			2,029.43			2,029.43
45		5/31/2015	JV-11B AFUDC CWIP CORRECTED			1,328.92			1,328.92
46		5/31/2015	JV-11B AFUDC CWIP CORRECTED				25.01		25.01
47		5/31/2015	JV-20 CWIP OH SPREAD				16.38		16.38
48		5/31/2015	JV-20 CWIP OH SPREAD					43.14	43.14
49		5/31/2015	JV-20 CWIP OH SPREAD						
50		5/31/2015	Payables Trx Entry	WATER WORKS ENGINEERS, LLC	4602	1,135.71	4.97		1,135.71
51						\$ 3,367.50	\$ 46.36	\$ 402.64	\$ 3,367.50
52						\$ 10,599.97			\$ 11,048.97
53									
54									
55									

ARIZONA WATER COMPANY
Docket No. W01445A-10-0517
Construction Work in Progress (CWIP) Ledger

Line No.	Month/Year	Date	Description	Vendor Name	Invoice No. (Hyperlinked)	NARUC Acct. 33201	NARUC Acct. 39021	NARUC Acct. 32501	Total
1									
2	Jun-15	6/23/2015	Payables Trx Entry	PETTY CASH REIMBURSEMENT - CG	001655	\$ 40.10		\$	40.10
3		6/29/2015	Payables Trx Entry	FELIX CONSTRUCTION CO	001664	355,854.58			355,854.58
4		6/30/2015	JV-01 PAYROLL					52.98	52.98
5		6/30/2015	JV-01 PAYROLL			4,368.23			4,368.23
6		6/30/2015	JV-02 PAYROLL TAXES					21.22	21.22
7		6/30/2015	JV-02 PAYROLL TAXES			1,749.30		8.30	1,749.30
8		6/30/2015	JV-05 PAYROLL						8.30
9		6/30/2015	JV-05 PAYROLL			484.19			484.19
10		6/30/2015	JV-09 VEHICLE CLEARING			895.53			895.53
11		6/30/2015	JV-11 AFUDC CWIP					184.01	184.01
12		6/30/2015	JV-11 AFUDC CWIP					120.49	120.49
13		6/30/2015	JV-11 AFUDC CWIP						120.49
14		6/30/2015	JV-11 AFUDC CWIP			2,074.48			2,074.48
15		6/30/2015	JV-11 AFUDC CWIP			1,358.42			1,358.42
16		6/30/2015	JV-11 AFUDC CWIP				25.21		25.21
17		6/30/2015	JV-20 CWIP OH SPREAD				16.51		16.51
18		6/30/2015	JV-20 CWIP OH SPREAD			44,741.98		46.44	44,741.98
19		6/30/2015	JV-20 CWIP OH SPREAD				5.01		5.01
20		6/30/2015	Payables Trx Entry			6,025.00			6,025.00
21				WATER WORKS ENGINEERS, LLC	4750	\$ 417,591.81	\$ 46.73	\$ 433.44	\$ 418,071.98
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									
33									
34									
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50									
51									
52									
53									
54									
55									

Total Charges \$ 905,704.01 \$ 5,978.26 \$ 43,728.90 \$ 955,411.17

Applicable Depreciation Rate - Dec. 73144

Annual Depreciation \$ 25,903 \$ 149 \$ 2,571 \$ 28,624
1/2-Year Convention \$ 12,952 \$ 75 \$ 1,286 \$ 14,312

ARIZONA WATER COMPANY

Docket No. W01445A-10-0517

Three-Factor Calculation

Fiscal Year 2015

Schedule 9

Line No.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]

Supporting Schedules:

N:\RATES\ACC Non Rate Case Filings\ACR\MACRM\Pinal Valley\2015 Valley Farms Step-1\FINAL Sch9 3Factor Processing Date: 8/14/2015 8:46 AM

Recap Schedules:

ARIZONA WATER COMPANY
Docket No. W01445A-10-0517
Typical Bill Analysis - Residential 5/8" x 3/4" Meter
As of 3/31/2015

Line No.	Gallons Used Per Month	Pinal Valley			
		[A] Present Rates	[B] ACRM Increase	[C] Present Rate Plus ACRM Increase	[D] Percent Increase
1					
2	0	\$ 16.00	\$ 0.15	\$ 16.15	0.96%
3	1,000	\$ 17.19	\$ 0.17	\$ 17.36	0.99%
4	2,000	\$ 18.38	\$ 0.19	\$ 18.56	1.01%
5	3,000	\$ 19.56	\$ 0.20	\$ 19.77	1.03%
6	4,000	\$ 21.67	\$ 0.22	\$ 21.88	1.01%
7	5,000	\$ 23.77	\$ 0.23	\$ 24.00	0.99%
8	6,000	\$ 25.87	\$ 0.25	\$ 26.12	0.97%
9	7,000	\$ 27.97	\$ 0.27	\$ 28.24	0.95%
10	8,000	\$ 30.08	\$ 0.28	\$ 30.36	0.94%
11	9,000	\$ 32.18	\$ 0.30	\$ 32.48	0.93%
12	10,000	\$ 34.28	\$ 0.31	\$ 34.60	0.92%
13	11,000	\$ 37.54	\$ 0.33	\$ 37.87	0.88%
14	12,000	\$ 40.80	\$ 0.35	\$ 41.15	0.85%
15	13,000	\$ 44.06	\$ 0.36	\$ 44.42	0.82%
16	14,000	\$ 47.32	\$ 0.38	\$ 47.70	0.80%
17	15,000	\$ 50.58	\$ 0.39	\$ 50.97	0.78%
18	20,000	\$ 66.87	\$ 0.47	\$ 67.35	0.71%
19	25,000	\$ 83.17	\$ 0.55	\$ 83.72	0.67%
20					
21	Average Monthly Usage	7,781	7,781	7,781	
22					
23	Average Monthly Bill	\$ 29.61	\$ 0.28	\$ 29.89	0.95%
24					
25	Monthly Basic Service Charge	\$ 16.00	\$ 0.15	\$ 16.15	
26	Commodity Charge (per M Gallon)				
27	0 to 3,000 Gallons	\$ 1.1879	\$ 0.0160	\$ 1.2039	
28	3,001 to 10,000 Gallons	\$ 2.1026	\$ 0.0160	\$ 2.1186	
29	Gallons over 10,000	\$ 3.2590	\$ 0.0160	\$ 3.2750	
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					

Supporting Schedules:

N:\RATES\ACC Non Rate Case Filings\ACRM\ACRM\Pinal Valley\2015 Valley Farms Step-1 FINAL\Sch10 BillAnalysis
Processing Date: 8/14/2015 8:46 AM

Recap Schedules: